MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2022/2023 (TERM ID 2215)

BAC2654 – PUBLIC SECTOR ACCOUNTING

(All sections/Groups)

13 FEBRUARY 2023
9.00 AM – 12.00 PM
(3 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **3** pages excluding the cover page with **4** questions only.

2. Answer **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

Government accounting machinery relates to the governance structure for financial management of the Federal Government. It can be divided into three components that are government accounting agencies, government accounting personnel, and government accounting systems and procedures. These components are responsible for providing users with information relating to public financial matters.

Required:

(a) List five (5) government accounting agencies. (5 marks)

(b) Identify and explain three (3) government accounting personnel. (9 marks)

(c) Discuss four (4) importance of government accounting systems and procedures in public sector. (8 marks)

(d) Puan Alisa works as an accounting officer for 7 years in one of the government departments in Putrajaya. She has failed to keep proper accounting records for few months' transactions. She has been notified by the head of department and further investigation has been conducted by Service Commission. As a result, surcharge has been imposed on her. Explain on the recovery of surcharge as stated in Section 21 of the Financial Procedure Act 1957.

(3 marks)

(Total: 25 marks)

QUESTION 2

The Malaysian government intends to improve public service delivery and accountability through the adoption of IPSAS of full accrual accounting. The idea of adopting accrual-based accounting for Malaysian public sector organisations was promulgated through the introduction of the New Economic Model (NEM) Report, which was translated into the Strategic Reform Initiatives for public finance management.

Required:

(a) Explain five (5) benefits of implementing accrual accounting system in the public sector. (10 marks)

(b) Identify and explain eight (8) areas of differences which distinguish between cash accounting and accrual accounting system. (8 marks)

Continued...

(c) Based on the information given below, determine the total revenues for Malaysian Federal Government. In your answer, show each revenue item, its amount, and the total.

Item	RM (million)
Refunds of Expenditure	32,333
Other Direct Tax	72,444
Tax Revenue from Federal Territories	88,666
License	11,555
Custom Duties	25,222
Non-Tax Revenue from Federal Territories	66,888
Sales and Service Tax	23,888
Income Tax	130,777
Registration Fees	31,999
Receipts from Ministry of Finance	55,777

(7 marks)

(Total: 25 marks)

QUESTION 3

Budget is the most important instrument of the government in carrying out its policies. It is the process of putting together the financial demands of government institutions to be met through various financial sources and enable the organisation to develop.

Required:

(a) Discuss six (6) regulatory frameworks for preparation of budget. (15 marks)

(b) Explain five (5) importance of budget in public sector organisation. (10 marks)

(Total: 25 marks)

Continued...

QUESTION 4

Public sector auditing represents the underpinning factor towards good public governance. According to the Institute of Internal Auditors (IIA, 2006), government auditors play a significant function in supporting good governance through their roles and responsibilities.

Required:

(a) Differentiate three (3) categories of roles and responsibilities of government auditors as highlighted by the Institute of Internal Auditors (IIA, 2006).
(9 marks)

(b) Explain five (5) nature and scope of audit work perform by Auditor General.
(10 marks)

(c) Explain the concept of secrecy exercised by Auditor General while executing his duties. Quote the relevant provision from the Audit Act 1957. (6 marks)

(Total: 25 marks)

End of Paper.